



House of Representatives

General Assembly

File No. 491

January Session, 2003

House Bill No. 6096

House of Representatives, April 22, 2003

The Committee on Government Administration and Elections reported through REP. O'ROURKE of the 32nd Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT LIMITING CAMPAIGN CONTRIBUTIONS BY STATE CONTRACTORS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 9-333n of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2003*):

3 (a) No individual shall make a contribution or contributions in any
4 one calendar year in excess of five thousand dollars to the state central
5 committee of any party, or for the benefit of such committee pursuant
6 to its authorization or request; or one thousand dollars to a town
7 committee of any political party, or for the benefit of such committee
8 pursuant to its authorization or request; or one thousand dollars to a
9 political committee other than (1) a political committee formed solely
10 to aid or promote the success or defeat of a referendum question, (2) an
11 exploratory committee, (3) a political committee established by an
12 organization, or for the benefit of such committee pursuant to its

13 authorization or request, or (4) a political committee formed by a slate
14 of candidates in a primary for the position of delegate to the same
15 convention.

16 (b) No individual shall make a contribution to a political committee
17 established by an organization which receives its funds from the
18 organization's treasury. With respect to a political committee
19 established by an organization which has complied with the provisions
20 of subsection (b) or (c) of section 9-333p, and has elected to receive
21 contributions, no individual other than a member of the organization
22 may make contributions to the committee, in which case the individual
23 may contribute not more than five hundred dollars in any one calendar
24 year to such committee or for the benefit of such committee pursuant
25 to its authorization or request.

26 (c) In no event may any individual make contributions to a
27 candidate committee and a political committee formed solely to
28 support one candidate other than an exploratory committee or for the
29 benefit of a candidate committee and a political committee formed
30 solely to support one candidate pursuant to the authorization or
31 request of any such committee, in an amount which in the aggregate is
32 in excess of the maximum amount which may be contributed to the
33 candidate.

34 (d) Any individual may make unlimited contributions or
35 expenditures to aid or promote the success or defeat of any
36 referendum question, provided any individual who makes an
37 expenditure or expenditures in excess of one thousand dollars to
38 promote the success or defeat of any referendum question shall file
39 statements according to the same schedule and in the same manner as
40 is required of a campaign treasurer of a political committee under
41 section 9-333j.

42 (e) Any individual acting alone may, independent of any candidate,
43 agent of the candidate, or committee, make unlimited expenditures to
44 promote the success or defeat of any candidate's campaign for election,
45 or nomination at a primary, to any office or position, provided any

46 individual who makes an independent expenditure or expenditures in
47 excess of one thousand dollars to promote the success or defeat of any
48 candidate's campaign for election, or nomination at a primary, to any
49 such office or position shall file statements according to the same
50 schedule and in the same manner as is required of a campaign
51 treasurer of a candidate committee under section 9-333j.

52 (f) (1) As used in this subsection and subsection (f) of section 9-333j,
53 (A) "investment services" means investment legal services, investment
54 banking services, investment advisory services, underwriting services,
55 financial advisory services or brokerage firm services, and (B)
56 "principal of an investment services firm" means (i) an individual who
57 is a director of or has an ownership interest in an investment services
58 firm to which the State Treasurer pays compensation, expenses or fees
59 or issues a contract, except for an individual who owns less than five
60 per cent of the shares of an investment services firm which is a
61 publicly traded corporation, (ii) an individual who is employed by
62 such an investment services firm as president, treasurer, or executive
63 or senior vice president, (iii) an employee of such an investment
64 services firm who has managerial or discretionary responsibilities with
65 respect to any investment services provided to the State Treasurer, (iv)
66 the spouse or a dependent child of an individual described in this
67 subparagraph, or (v) a political committee established by or on behalf
68 of an individual described in this subparagraph.

69 (2) No principal of an investment services firm shall make a
70 contribution to, or solicit contributions on behalf of, an exploratory
71 committee or candidate committee established by a candidate for
72 nomination or election to the office of State Treasurer during the term
73 of office of the State Treasurer who pays compensation, expenses or
74 fees or issues a contract to such firm.

75 (3) Neither the State Treasurer, the Deputy State Treasurer, any
76 unclassified employee of the office of the State Treasurer acting on
77 behalf of the State Treasurer or Deputy State Treasurer, any candidate
78 for the office of State Treasurer, any member of the Investment

79 Advisory Council established under section 3-13b nor any agent of any
80 such candidate may solicit contributions on behalf of an exploratory
81 committee or candidate committee established by a candidate for
82 nomination or election to any public office, a political committee or a
83 party committee, from a principal of an investment services firm,
84 except that the prohibition in this subsection shall not apply to an
85 incumbent State Treasurer who establishes an exploratory committee
86 or candidate committee for any public office other than State
87 Treasurer.

88 (4) No member of the Investment Advisory Council appointed
89 under section 3-13b shall make a contribution to, or solicit
90 contributions on behalf of, an exploratory committee or candidate
91 committee established by a candidate for nomination or election to the
92 office of State Treasurer.

93 (5) The provisions of this subsection shall not restrict an individual
94 from establishing an exploratory or candidate committee for the
95 individual's own campaign or from soliciting contributions for such
96 committees from persons not prohibited from making contributions
97 under this subsection.

98 (g) (1) As used in this subsection, "state officer" means the Governor,
99 Lieutenant Governor, Secretary of the State, Comptroller or Attorney
100 General.

101 (2) If a state officer awards a contract or contracts which, separately
102 or in the aggregate, have a value of one hundred thousand dollars or
103 more to a business, (A) no individual who is an owner, partner,
104 director or officer of said business, or a manager of said business who
105 has substantial policy or decision-making authority concerning the
106 administration of the contract shall make a contribution or
107 contributions in excess of one hundred dollars to, or for the benefit of,
108 said state officer's campaign for nomination at a primary or reelection
109 to the same office or election to any other public office or to an
110 exploratory committee formed by said state officer, and (B) said state
111 officer and the officer's committee or agent shall not solicit

112 contributions, on behalf of the candidate or exploratory committee
113 established by said state officer or the candidate or exploratory
114 committee established by any other candidate for nomination or
115 election to any other public office or on behalf of any political
116 committee or party committee, from (i) any individual who is an
117 owner, officer, director, partner or such a manager of said business, (ii)
118 any individual who is an owner, officer, director or partner of a
119 subcontractor of said business for such contract or a manager of said
120 subcontractor who has substantial policy or decision-making authority
121 concerning the administration of the subcontract, (iii) the spouse of
122 any such individual or a dependent child of any such individual who
123 resides in the individual's household, or (iv) a political committee
124 established by said business or subcontractor.

125 (3) Each state officer shall keep a list of (A) businesses to which the
126 state officer has awarded a contract or contracts of one hundred
127 thousand dollars or more, and (B) all subcontractors under said
128 contracts. Said list shall be subject to disclosure under the Freedom of
129 Information Act and shall be available to the State Elections
130 Enforcement Commission. Each contract issued by a state officer shall
131 include the provisions of subparagraph (A) of subdivision (2) of this
132 subsection as a condition of the contract. Each business to which a state
133 officer has awarded a contract or contracts of one hundred thousand
134 dollars or more and each subcontractor under said contract shall
135 maintain a list of such business' or subcontractor's owners, partners,
136 directors, officers and managers with substantial policy or decision-
137 making authority related to the administration of such contracts and
138 shall provide such list to the State Elections Enforcement Commission
139 upon request.

140 (4) For purposes of this subsection, (A) a contract awarded by a
141 department head in the executive branch of state government who is
142 appointed by the Governor shall be deemed to have been awarded by
143 the Governor, and (B) a contract awarded by a board, commission,
144 council or other multimember authority, for which a majority of the
145 members are appointed by a single state officer, shall be deemed to

146 have been awarded by said state officer.

147 Sec. 2. Section 9-333w of the general statutes is amended by adding
148 subsection (g) as follows (*Effective July 1, 2003*):

149 (NEW) (g) The campaign treasurer of an exploratory committee or
150 candidate committee established by a candidate for nomination or
151 election as a state officer, as defined in subdivision (1) of subsection (g)
152 of section 9-333n, as amended by this act, which sponsors any written,
153 typed or other printed communication for the purpose of raising funds
154 shall include in such communication a statement concerning the
155 contribution limit set forth in subsection (g) of section 9-333n, as
156 amended by this act.

This act shall take effect as follows:	
Section 1	<i>July 1, 2003</i>
Sec. 2	<i>July 1, 2003</i>

GAE *Joint Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Type	FY 04 \$	FY 05 \$
Elect. Enforcement Com.	GF - Cost	Potential	Potential
Governor's Off.; Lt. Governor's Off.; Secretary of the State; Attorney General; Comptroller; Various State Agencies	GF - Cost	None	None

Note: GF=General Fund

Municipal Impact: None

Explanation

This bill reduces to \$100 the contribution limit to state officers¹ from individuals whose business has contracts with state officers valued at \$100,000 or more. The bill also prohibits state officers from soliciting campaign contributions from individuals whose business has been awarded a contract worth \$100,000 or more by the state officer.

The bill also requires each state officer to keep a list of contractors with business worth \$100,000 or more with the office. There will be a minimal workload increase for each state officer, and various other state agencies, to keep a list of these businesses. This workload increase will not require additional appropriations.

This bill may result in a potential significant increase in the number of complaints and investigations the SEEC handles. It is not known at this time if the SEEC will require additional positions or resources to handle the workload increase.

¹ State officer means the Governor, Lieutenant Governor, Secretary of the State, Comptroller and Attorney General.

OLR Bill Analysis

HB 6096

AN ACT LIMITING CAMPAIGN CONTRIBUTIONS BY STATE CONTRACTORS**SUMMARY:**

This bill reduces to \$100 the limit on campaign contributions to state officers running for reelection or election to another office from people who have large contracts with the respective offices of statewide elected officials and from their subcontractors. Currently, individuals can contribute up to \$2,500 to gubernatorial candidates and \$1,500 to candidates for the other state offices. The bill covers the offices of governor, lieutenant governor, attorney general, secretary of the state, state comptroller, and attorney general. The law already bans contributions to candidates for the office of state treasurer from individuals and investment services firms that do business with that office.

The bill also bans the covered state officers from soliciting campaign contributions for their own or anyone else's campaign, or for a party or political committee (known as a PAC) from those with large contracts and subcontracts with their office.

The bill requires state officers to maintain lists of the businesses with large contracts with their offices and the subcontractors for purposes of administering and enforcing its provisions. Campaign contribution solicitations must include notice of the bill's contribution limits that apply to contractors.

EFFECTIVE DATE: July 1, 2003

CONTRIBUTIONS

The bill lowers the contribution limits to \$100 for incumbent state elected officers from individuals doing business with their offices. It applies the lower limits to any individual who is an owner, partner, director, officer, or manager of a business with a contract or contracts worth more than \$100,000 that the officer awarded. It includes the managers who have had substantial or decision-making authority

concerning the state contract's administration. Current limits on an individual's contribution are \$2,500 for gubernatorial candidates and \$1,500 for candidates for the other state offices.

SOLICITATIONS

Under the bill, the governor, lieutenant governor, secretary of the state, comptroller, and attorney general are banned from soliciting a campaign contribution from an individual contractor described above and the owner, officer, director, partner, or manager of any subcontractor of such a contractor. The officer is also barred from soliciting contributions from such a contractor's or subcontractor's spouse and dependent children living in the household, and from their business PACs.

The contribution solicitation restriction applies to an officer's candidate committee for nomination and re-election or election to another office, to his own exploratory committee, to the candidate or exploratory committee of another candidate for any other office, or to any PAC or party committee.

ADMINISTRATION

Each state officer must keep a public list of contractors with business worth \$100,000 or more with the office and their subcontractors. All contracts must include notice of the restriction and businesses with large contracts, along with their subcontractors, must list their owners, partners, directors, officers, and managers. The State Elections Enforcement Commission is entitled to obtain the list upon request.

With respect to the governor, the lower contribution limit applies to anyone with a contract with an executive branch department whose head the governor appoints. For any board, commission, council, or other multimember authority, it applies to the officer who appointed a majority of the members.

The bill requires candidates for state offices to include in their printed contribution solicitations notification of the limits on state contractors' contributions.

COMMITTEE ACTION

Government Administration and Elections Committee

Joint Favorable Report

Yea 19 Nay 0